Financial Status of IPCL

1410. SHRI DIPANKAR MUKHERJEE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the return on capital employed in IPCL during the last five years;

(b) the interest paid by the company in the above period;

(c) the present reserve and surplus in the Company;

(d) whether any sales tax exemption has been extended to the company, in line with exemption given to its main competitors in private sector;

(e) if not, the reasons therefor; and

(f) the impact on the financial result of IPCL, in case of sales tax exemption?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) to (c) The Information is given in the statement enclosed. (*See* below).

(d) to (f) The sales tax exemption, as available to the main competitors in the private sector, has not been granted by the State Governments concerned to IPCL. Sales tax is a State Levy and granted in accordance with the policy of the State Government. The estimated impact of not having sales tax exemption on the financial results of IPCL is Rs. 280 crore per annum.

Statement

Return on Capital employed, interest paid and Reserves and Surpluses of Indian Petrochemicals Corporation Limited (IPCL).

(a) Return on capital employed in IPCL during the last five years

Particulars	1995-96	1996-97	1997-98	1998-99	1999-2000 (Prov.)
Return on Capital Employed	21%	9%	4%	1%	3%

(b) Interest paid by the Company in the above period

(Rs. Lakhs)

Particulars	1995-96	1996-97	1997-98	1998-99	1999-2000 (Prov.)
Total Interest	21,163	29,940	41,429	51,557	51,459
Interest charged to Profit & Loss a/c	16,293	20,417	25,957	26,187	38,755

(c) Present Reserves & Surplus

(Rs. Lakhs)

Particulars	1995-96	1996-97	1997-98	1998-99	1999-2000 (Prov.)
Reserves & surplus	224,217	264,431	277,921	278,127	278,354

Payment of subsidy to fertilizer companies

1411. SHRI AMAR SINGH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) how much amount has been spent during the last two years on payment of subsidy to Fertilizer Companies; and

(b) whether there is any proposal under Government's consideration to scrap this subsidy and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a)